

Pain Points Won't Tell You What to Build

Product discovery for complex B2B software, and how a company entered a market where every competitor had failed



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Case: RELEX & Assortment Management

- Expensive to build a new product that customers wouldn't actually buy or use
- Assortment Management
= Choosing which products to carry in which stores
- Every competitor had failed in this market before

3

What RELEX Achieved Despite the Challenge



3–4-person team, 18 months



5 enterprise customers in the first year



Pipeline on target to 20+ globally in year 2



IDC “Leader” rating for the first release



Customers able to eliminate Excel workflows

4

The Promises

1. Three Examples
2. The Backlog Test
3. Reasoning Instead of Iterating

5

The Puzzle

6

Assortment: Retail's Holy Grail

“Assortment management is retail’s Holy Grail. Every retailer wishes someone could tell them what the perfect assortment is.”

—Tommi Ylinen, Chief Product Officer, RELEX

7

The Paradox

- ✓ Strong customer demand
- ✗ All competitors failed
- ✗ Customers didn't use purchased software

8

The Pressure & The Risk

- RELEX was **losing competitive bids** without an assortment management product
- Strong **pressure** to enter the market, but **high risk**

“We didn't want to just **pour money into building a product in an area where no one had succeeded before**. We wanted to reduce risks and find the best way forward.”

—Tommi Ylinen, Chief Product Officer

9

Key question: Why did RELEX succeed where others failed?

10

Why doesn't talking to customers ensure success in B2B software?

Because of insufficient methods:

1. Starting from solutions, existing or imagined, not the underlying problems
2. Asking wrong questions
3. No systematic way to map the problem space

11

Three Examples From RELEX Case

12

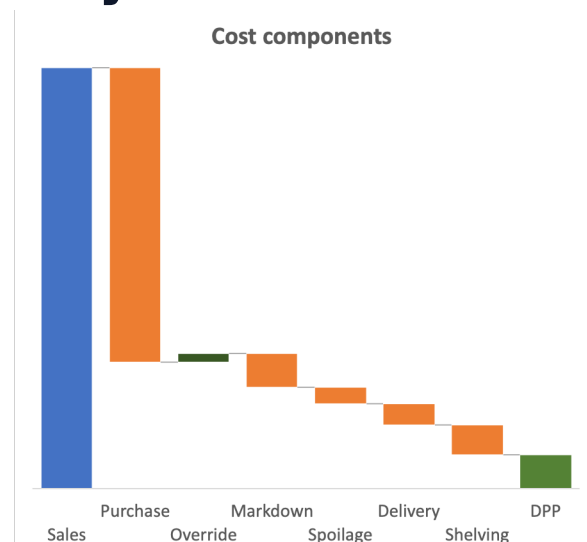
Example 1: DPP Calculation for Assortment Drop Decisions

13

Direct Product Profitability

- Feature idea: DPP calculation for identifying unprofitable products and dropping them from the assortment
- $DPP = \text{Sales price}$
 - Purchase price
 - Markdowns
 - Spoilage
 - Delivery cost
 - Shelving cost

14



The Situation: A Range Review



Which products to drop from the assortment?



Candidate: Products with poor profitability?

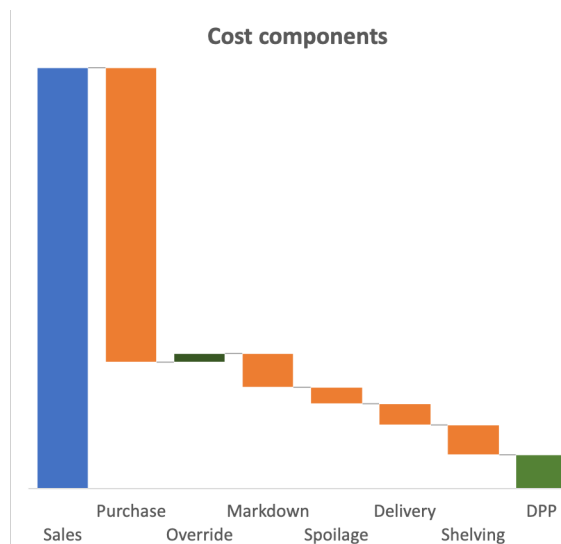


Causes of low DPP margin?

15

Many Potential Causes

- Sales price too low?
- Purchase price too high?
- Markdowns too high? Why?
- Spoilage too high? Why?
- Deliveries too frequent?
- Shelving too laborious?



16

Other Considerations Before Delisting

- Do we carry substitutes customers would buy instead?
- Are there customers that are loyal to the product?

17

Good Solution

- Don't just give a DPP number
- Provide solution to determine **why** profitability is poor:
 - Comparison to competitors (price?)
 - Waste analysis (cause?)
 - Delivery analysis (optimisation?)
 - Substitution analysis (replaceable?)
 - Customer loyalty data
- Make the correct decision based on **understanding**, not just a number

18

Example 2: Buyers and space planners

19

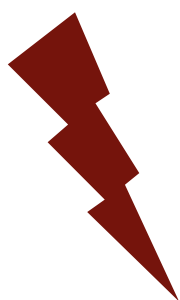
Buyer vs. Space Planner



Buyer

Assortment, contracts with suppliers & pricing

Decides to expand the assortment



Space Planner

Plans the shelf space in stores

3 weeks later: "Not enough space on the shelves"

20

Buyer vs. Space Planner



Buyer

- Measured by:
Sales & Gross Profits
- Incentive:
More assortment = More sales

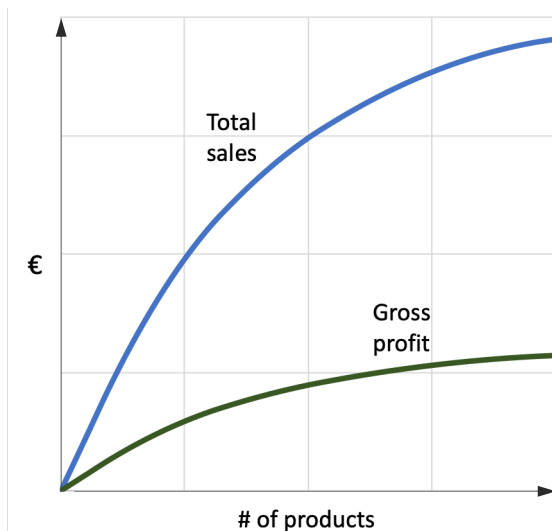


Space Planner

- Measured by: Operational
efficiency (delivery & shelving)
- Incentive:
Less assortment = Less costs

21

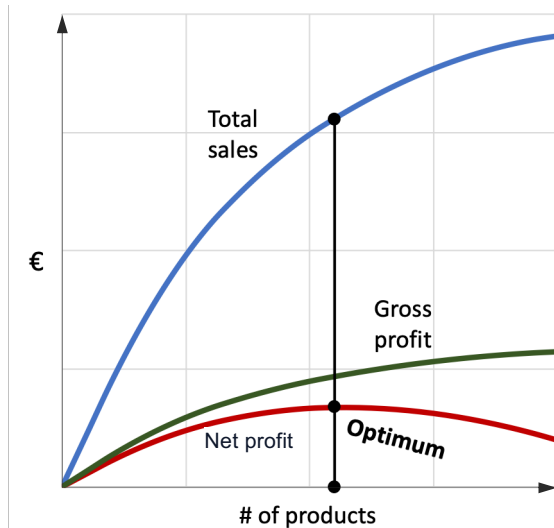
More products → More sales & Gross profit



22

- Today's incentives & limited visibility to the total costs
- ⇒ Assortment managers are biased to increasing the assortment

More products → Lower net profit



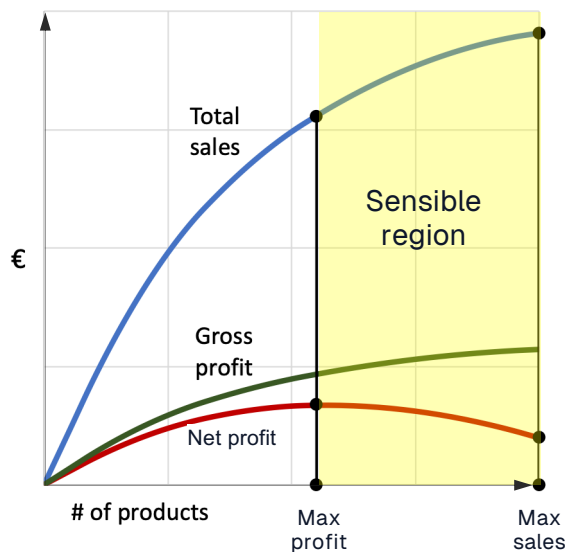
23

Net profit of category

= Gross profit

- Sum of markdowns
- Sum of spoilage
- Total delivery costs
- Total shelving costs

Good Solution: Visibility to Cost Impacts



24

Sensible region for optimal assortment is between:

- maximum net profit
- maximum sales

Good Solution: Space & Cost Aware Assortment

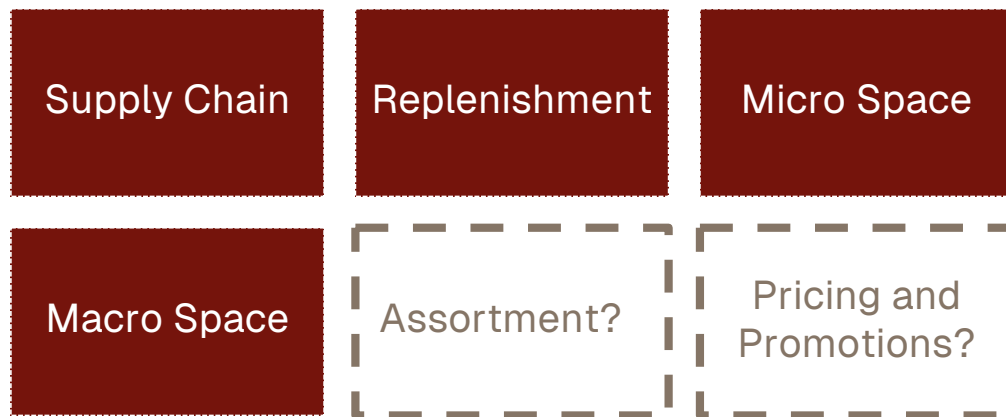
- Give assortment managers visibility to the downstream impact of their decisions.
- Help assortment manager optimise total profitability by estimating category-level sales and profitability as a function of assortment scope (instead of DPP).
- → No need to wait for feedback from the space planner
- → Fast, agile process

25

Example 3: Assortment Management as Separate Module?

26

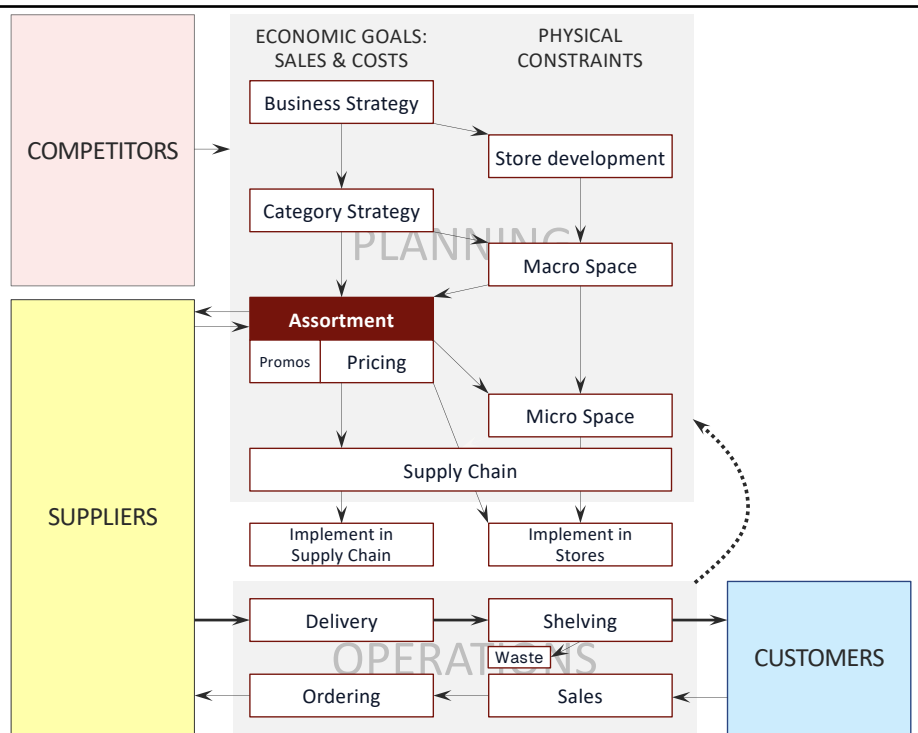
Retail Planning Software Modules



27

Retail Planning and Operations

- All retail processes and data come together in assortment.
- Everything affects assortment.
- Assortment affects everything.
- Exactly how?
→ Product Impact



RELEX's Discovery: Input

- 40 sessions:
 - 6 retailers
 - Assortment managers, buyers, micro & macro space planners, category managers, pricing experts, supply chain specialists, data analysts...
- Process analysis, data flows
- Industry literature, scientific papers
- Data science work



RELEX's Discovery: Output

- ✓ Understanding the complete problem space
- ✓ Dependency mapping
- ✓ Identification of common needs
- ✓ Separation of customer-specific needs

→ Foundation for an optimal solution

Why Discovery Worked?

31

What is “Customer Problem” in Deductive Discovery?

32

The Goal

A description of the customer's problem enables us to **work out what a good solution must contain, before building it.**

33

Good Solution?

A good solution requires the customer to take only the **actions genuinely necessary** to reach the **best available result.**

34

Find out actions that must **necessarily** be done **somehow** by the customer.

- Regardless of software and other tools they use today.
- Regardless of their specific processes, roles and hand-offs.
- Regardless of whether done by a human or a computer today.

35

What is **necessary**?

It depends... exactly on:

36

What customers are trying to get done...

Motive, desired **end-results**, and **criteria** for what they value in the end-results

...within the constraints of the reality beyond their control.

Dependencies and causalities

Necessary domain concepts

Information flow

- Where information is created & needed (by human/computer)

Triggers

- What happens to which a customer must react

Circumstances

Physical constraints

“Customer Problem”

to which software tools and processes are a “solution”

What customers are trying to get done...

Motive, desired **end-results**, and **criteria** for what they value in the end-results

...within the constraints of the reality beyond their control.

Dependencies and causalities

Necessary domain concepts

Information flow

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Circumstances

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The Backlog Test

- **The test:** Describe the concrete situation where the item arises, without describing any solution. Who is doing what, why, in what circumstances, judged by what criteria.
- **While you write it:**
Cross out anything that refers to what today's tools are, how they are used, and what specific processes, roles or hand-offs a particular organisation uses.
Keep only what reality imposes.

39

Measuring Problem-Solution Fit

Problem-Solution Fit is exactly like Foot-Shoe Fit

40



41

Foot

- Exists as a **fact** in reality
- **Discovered** by measuring
- **Changes slowly:** basis for long-term shoe strategy
- **Vendor cannot change**
- **Independent of any shoe**

- **Not directly visible** when a shoe is worn

42

Shoe

- Comes from **imagination**
- Must be **invented**
- **Can change quickly** with new technology and fashion
- **Under vendor's control**
- Fitness **depends on the foot**; poor fit results in blisters and requests for plasters
- **Directly visible** when looking how an existing shoe is worn

Customer Problem

- Exists as a **fact** in reality
- **Discovered** by research
- **Changes slowly:** basis for long-term product strategy
- **Vendor cannot change**
- **Independent of any solution**
- **Not directly visible** when looking how a solution is used

Solution

- Comes from **imagination**
- Must be **invented**
- **Can change quickly** with new technology (e.g. AI)
- **Under vendor's control**
- Fitness **depends on problem**; poor fit results in pain points and requests for features
- **Directly visible** when looking how an existing solution is used

43

Customer Problem has a form

- Exists as a **fact** in reality
- **Discovered** by research
- **Changes slowly:** basis for long-term product strategy
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Solution has a form

- Comes from **imagination**
- Must be **invented**
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- **Under vendor's control**
- Fitness **depends on problem**; poor fit results in pain points and requests for features
- **Directly visible** when looking how an existing solution is used

Problem-Solution Fit:

A particular solution **fits** the customer problem more or less well.
The optimal solution fits the problem exactly.



How to Measure a Solution?

Because the problem description is concrete, you can measure any solution against it. How?

Count the actions the solution requires the customer to take to achieve an optimal result in that situation.

46

Required Number of Actions

- Don't need users
- Don't need to build the product

= Objective Measurement of
Problem-Solution Fit

47

Comparing Solutions

- Because we can measure Problem-Solution Fit, we can **compare alternative solutions**
- Enables recognising the **best available fit**
- Best fit = **Solution** shape matches **problem** shape
- Optimal solution is often **smaller and simpler** than existing solutions

48

Why doesn't talking to customers ensure successful B2B software?

Because of insufficient methods:

1. Starting from solutions, existing or imagined, not the underlying problems
⇒ Decision support vs. DPP calculation
2. Wrong questions asked
⇒ "What do you need?" vs. understanding situations
3. No systematic way to map the problem space
⇒ Fragments vs. understanding the overall structure

Right Methods ⇒ Discovery leads to simplicity & success

49

In the AI Age, Discovery is the Foundation For Success

50

With Good Product Discovery, RELEX achieved:



3–4-person team, 18 months



5 enterprise customers in the first year



Pipeline on target to 20+ globally in year 2



IDC Leader rating for the first release



Customers able to eliminate Excel workflows

51

Discovery: Cornerstone of Success

“Antti’s systematic discovery revealed the true breadth of the topic. ... His work was **a real cornerstone of our progress** in the area.”

—Sam Welton, VP of Product for Space & Assortment

“The results formed the **foundation** for our **design, user navigation** and **solution architecture**. We used them to start to build our **go-to-market strategy** and make sure we had a **credible scope** for entering the market.”

—Sam Welton

52

Discovery: Finding the Right Approach

“We didn't want to just pour money into building a product in an area where no one had succeeded before. We wanted to reduce risks and **find the best way forward.**”

—Tommi Ylinen, Chief Product Officer

“The insights and results from Antti's product discovery helped us **find the right approach.**”

—Tommi Ylinen

53

HS 9.4.2026:

”Tekoäly on todella hyvä tekemään koodia. Vaikein asia ei enää ole koodin kirjoittaminen, vaan ratkaistavan ongelman löytäminen ja sen ymmärtäminen paremmin kuin asiakas yksin pystyy.”

Helsingin Sanomat 9th April 2026:

“The hard part is no longer writing code but **finding the problem to solve** and **understanding it better than the customer alone can.**”

—Mikko Kärkkäinen, CEO of RELEX



RELEX case

Newsletter on B2B SaaS Discovery



deductivediscovery.com

1. Customer problems are **solution-independent facts** you can discover systematically.
2. You can **measure solutions objectively** with those facts – without users, before building.
3. **Optimal solution** can be largely reasoned from those facts.

- Discovery: 6 months
- Delivery: Team of 3–4, 18 months

- 5 enterprise customers
- Pipeline to 20+ globally
- IDC Leader

Get in Touch



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